

HRM - WELL-BEING AT WORK RELATION. A CASE STUDY.

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Abstract

Studies in human resource management (HRM) field require for more focus on employees related objectives. A recommended way to answer this request is to focus on employees' well-being at work. The relation between HRM and well-being at work started to be recently analysed in this new shape, even though some other forms started to be researched more than 25 years ago. However the focus was on quantitative analysis, while the contextual, qualitative research was somehow neglected (with respect to those studies that approached this matter). This paper aims at covering this gap and exploring the HRM-well-being at work relation considering contextual factors that may influence this link. Among the contextual factors considered are human resource (HR) principles, HR function position and role into the organisation on one side (internal factors) and external factors like labour market, business competition, economic factors, on the other side. A mixed-method research (qual. -> Quant, sequential design) was conducted into one national, 100% Romanian capital organisation, in order to find out which HR interventions can raise the work related well-being. The findings support the need for taking into consideration the contextual approach, as the qualitative research may bring the answer to the well-known 'why' question.

Keywords: well-being at work, HR practices, AMO theory, context analysis, case study.

JEL Classification: M10, M12

1. Introduction

Defining HRM and its role to the organization's performance is frequently debated among both the practitioners and academics. Still, the main questions persist: Does HRM has a proved positive effect on performance? How can HRM influence the organization's 'numbers'? It is obvious that practitioners do not have a simple answer for these questions and that is why they developed the HR analytics branch. On the other side, academic researchers tried to answer these questions conducting different studies, most of them quantitative. Unfortunately for the HR representatives they did not came up with unitary and convergent results. Some of the researchers proved that there is a relation, some of them proved that there is not. The reasons are many and they were systematically analysed by some of the researchers [e.g. 20].

However, an interesting approach was underlined by Paauwe and Boselie (2008) when sustaining the fact that defining the performance of an organization is difficult and that most of the studies approaches it financially. However the authors sustain that the organization's performance should be seen beyond the financial indicators, which is more a shareholder approach, and propose a stakeholder approach [19] as this is considered to be more appropriate. Therefore, when analysing the HRM-performance link, especially when considering research in HR field, there is the need to move the focus on human resources [8].

In these circumstances the concept of well-being at work started to be put back on stage. This is the reason why we approached this subject in the current paper. Because most of the studies approached the issue using quantitative methods, but a contextual approach was also recommended, we conducted a mix-method research, having a sequential qual. -> Quant design. We analysed results from a 100% Romanian capital using interviews and questionnaires as instruments. Using both instruments we explored the HR interventions that may lead to employees' well-being, along with the contextual factors (internal and external) that may influence the link between HRM and work related well-being. Even though the results cannot be generalised, as the research was conducted in just one organisation, we consider that the HR role and its degree of integration into top management strategy can be a variable that should be taken into consideration in future studies.

2. Well-being at work

As emphasised before, lately researchers state that too much attention was given to financial aspects of an organisation's performance, when debating the HR-performance link. Therefore a better commitment to employees, as "human beings" is required [8]. Moreover, some other authors sustained that an organization should have more

different objectives, including those strictly related to its employees [6], so achieving the well-being at work objective should be one of them. One of the reasons is given by Harter et al. (2002), who admitted that work is a significant part of a person's life, so is absolutely normal for organisation to invest in keeping or enforcing employees' well-being at work [11]. These are the reasons why this paper addresses the issue of well-being at work, as an important HR result for the organisation.

Well-being at work is distinct to overall well-being, as the latest addresses a more general perspective which includes other personal or family related issues. Although they can interfere at some point, from the organizational point of view the work related well-being represents the hotspot, as it can influence the organizational performance [16]. Employees' well-being started to be a direct interest in management and HRM studies rather late. Most studies were conducted at first in the Occupational Health and Safety along with Psychology field (e.g. [13] – [24]).

As can be seen in the HRM literature, there are several general definition, but the concept is still difficult to be measured. For example one of the first definition of well-being at work is given by Warr (1987) and refers to the "overall quality of an employee's subjective experience and functioning at work ([23], pp. 17-18). On the other hand, Chartered Institute of Personnel and Development (CIPD) defined the concept considering the organization's responsibilities as against employees: to create an environment that promotes contentment, which further allows employees "to flourish and achieve their full potential for the benefit of themselves and their organisation" ([28], p. 4). Other authors [10] approached the concept referring to six key areas which can determine the employees' well-being at work: a manageable workload, personal control over the job, support from colleagues and supervisors, positive relationships at work, a clear role and control or at least involvement in changes at the workplace [10]. And others defined three variables that constitute the work-related well-being: commitment, job satisfaction and work-life balance [5].

Despite the general perspective, all these definitions help thought to determine the concept's dimensions. Most of the studies identified two dimensions - happiness and health (e.g. [1]) -, but Grant et al. (2007) defined a third dimension, *relationship*, which focuses on the quality of relation between employees, between employees and managers and also work climate [7]. This last dimension was defined only theoretical, but the first two were also measured using different other constructs. For example happiness was measured using satisfaction scales, organizational commitment scales, or work – life balance satisfaction [29]. Health was measured using scales for identifying stressors and strains or to analyse psychological and physical health [17]. As these two last dimensions represent two faces of the same coin, studies showed contradictory results, meaning that HR may have positive, negative or no influence on employees' well-being at work. These divergent results were categorised by Peccei (2004) in three main streams: optimistic, pessimistic and sceptical approach [21]. As they refer to the relation to HRM they will be discussed in the next section. For the present paper we chose to measure only the happiness dimension and we used the Mowday et al. (1979) scale for organizational commitment construct.

3. HRM and well-being at work

Important evolutions were made into 'HRM-performance link' research field, even though some main questions still remain unanswered. One step was made when approaching a systemic perspective on HRM instead of individual HR practices [14]. A HR system is consists of HR philosophy/principles, HR practices, HR programs, HR processes, HR polices [12] as well as HR instruments [4]. Another step was made when there was a change of view in addressing the workforce management perspective. More precisely, Walton (1985) observed that workforce management was conducted on some assumptions that proved to be wrong, as it was proved that workers want self-control, not external control. In this context, the need to change the focus from HR control perspective to a commitment one was considered to be an alternative in order to gain organizational performance [9].

Another approach used to explain the relationship between HRM and performance is AMO theory, which is a more individual/ 'micro' perspective of the research. The theory underlines the importance of taking into account individual variables, such as employees' *Ability* to perform, *Motivation* to perform and *Opportunity* to participate, when determine the predictors of organisational performance. Appelbaum et al. (2000) are the first authors who described the conceptual model of HRM-performance link based on the AMO theory view. They also offered some examples of HR practices, such as:

- formal and informal training, education for *Ability*;
- employment security, information sharing, internal promotion opportunities, fair payment, pay for performance for *Motivation*;
- autonomy, team membership, communication for *Opportunity* to participate [3].

Since then other authors tried to identify HR practices that are framed in each area, but no consensus was achieved. That was the reason why we decided to conduct first a qualitative research in order to find out what are the practices used by the organization and then categorised them into the three areas mention above.

There were studies (e.g. [2]) that tried also to analyse the link and they found positive relation between positively perceived HR practices and well-being. The relation was strengthened when high level of trust in the

employer was registered. A more exhaustive literature review was made by Peccei (2004) who classified the research on the HRM-well-being at work link into three main categories [21]:

- optimistic perspective – research that sustains that there is a positive relation between HRM and employees well-being;
- pessimistic perspective – research that suggests that there is a negative relation between HRM and employees well-being, and HRM does nothing but exploiting employees in order to obtain organisational performance;
- sceptical perspective – research that suggest that there is no relation between the two constructs.

However, another important contextual aspect is the HR role when defining the business strategy. Golden and Ramanujam (1985) proposed four stages: administrative, one way link (business strategy influence the HR function, who has to accurately implement its decisions), two ways link (the business strategy and HR function influence each other) and finally the integrative perspective, when HR function is completely integrated into business strategy [18].

Considering the views above mentioned (commitment approach, AMO theory and HR function position) and Paauwe and Boselie (2008) opinion regarding the preference for using outcome variables that are closely linked to HR interventions [19] we decided to analyse the relation between HR practices and well-being (measured in this article using organisational commitment scale) into a Romanian organisation.

4.Methodology

The present study is part of a larger research on the topic HRM-performance link within Romanian business context. This paper aims at exploring the HR interventions that a Romanian large organization, present at national level, uses in order to achieve high level of well-being at work. In order to achieve this purpose we conducted a mixed-method, sequential research and a *qual. -> Quant.* design, meaning that we used qualitative methods (in-depth interviews with relevant informants) in order to gather the data for quantitative research. First, three interviews were conducted in order to identify the HR practices the organization uses and to see how the management approaches the well-being at work issue. We also gathered data on internal and external contextual factors. The informants were the HR manager (who is one of the owners), the HR assistant manager who is also a quality management responsible and the development manager. Second, based on the interview data gathered we developed a questionnaire. The questionnaire contained 12 items referring to HR practices, with four items for each area of AMO theory (Ability, Motivation and Opportunity) and also the 15 items scale for organizational commitment (used to measure happiness dimension of employees well-being at work), based on Organizational Commitment Questionnaire [15]. There were 31 respondents, employees from administrative departments of the firm who work in the North-East (NE) region of the country (responded rate 56.36%). Most of the respondent (77.42%) were male, are over 36 years old (64.5%, cumulative percentage) and work into marketing and commercial department (80.65%).

5.Case study results

The organization has 100% Romanian capital, is on the market for almost 20 years now and activates into distribution market. It has a total of 110 employees all over the country, almost half of them working at the main plant. The business is conducted directly by the owners, one of them being the HR manager. The HR function is accomplished also by a HR assistant manager, the administrative tasks being outsourced. Until the last year the HR responsible did not have any formal education on the HR field, but after following a six month intensive course they decided to build a more integrative HR system. The research was conducted at this point, the strategic planning one, discussions being however focused on the past and present actions.

Considering the role of HR specialist into defining the business strategy (Golden and Ramanujam, 1985 apud [19]), it can be said that there is a “two way linkage”, because even though the HR responsables implement the decisions taken by top management, in order to develop the strategy, the top management, interested more on economic results, is also taken into consideration the HR responsables insights. Besides that, the employees find into the HR manager a kind person, who is always opened and interested of their needs, so the level of trust in HR manager is high. Because of the way the organisation is managed, the owners could be considered the parents of the employees, the “mum” (HR manager) taking care of the employees’ motivation and expectations.

When asking about the HR system orientation to employees’ well-being at work, the informants had different opinions. The HR manager said that the firm is interested in both the economic results and employees’ well-being, but the other two informants considered that the organisation is oriented more on economic results and less on employees’ well-being at work. This situation may occur because at the time the research was conducted the organisation was investing in a new office building and the wages were not having been raised for two years. They were also implementing new sale software, fact that represented a change into the employees’ activity. We consider that these are the reasons that could affect the employees “perishable” perception on the HR system approach.

The informants were also asked about the HR system approach considering the AMO theory, and they all agreed that the system is oriented first on motivation to perform, then to developing employees’ ability and last to the

opportunity to participate. The ‘ability’ area is placed on the second place because the organisation does not have too many explicit actions for this, but they rely on experiential learning offered by the job design. The ‘opportunity to participate’ is placed on the third place, as each informant admitted that there are too many ‘administrative’ task that an employee has to accomplish and they do not have enough time for major and important task, like planning ahead, implementing improvements they consider necessary.

In order to better understand the way in which management takes care of employees’ work related well-being, questions about some HR system components (HR practices, HR principles) were addressed. Regarding HR practices identified that may influence the employees’ well-being, we can sustain that beside the classical ones – e.g. induction period, development possibility through job tasks, performance evaluation – some specially design ones appeared. For example, the organisation offers free meals for employees working on the main plant (from one city, as in the other 10 cities they have 2-5 employees), they offer flexible work programme and everybody benefits from quality internal trainings. Another motivational HR practice is the empowerment offered to employees, fact that is illustrated including through job entitling for sales agents. Due to their difficult work (offer personalisation), to the exigent customers, but also to demonstrate the importance of their work, they are all called sales managers.

Even though we consider that the HR practices are the prime component of an HR system, we consider that what makes them to be positively perceived and though achieve their purpose (to higher the employees well-being at work and performance) are the HR principles. The organisation succeeded to gain the employees’ trust because in difficult crisis times and when local labour market was and it still is very low, they offered job security, but also respect and honesty. They really care about their employees and even though the workforce offer is high and employees can be found rather easily, they decided to create a security environment and to value each person for the results obtained or they could possible obtain. This way they gained the employees loyalty and based on reciprocity theory, the employees offer their services.

Results obtained from the quantitative research showed the employees’ perception on the HR practices implemented considering the AMO theory. As can be seen from Table no. 1, the results registered are at medium level, with employees being more satisfied by the practices that enhance the *ability*. Even though the management considers that *opportunity* area is not well developed, employees perceived the HR practices from this area rather good. With a 3.67 score out of 5, employees are rather satisfied by decision autonomy, task allocation and organisational communication. Another divergent opinion is registered for HR practices from the motivation area. Informants sustained that the HR systems are oriented more on motivation, but employees are less satisfied by the HR practices from this area, such as: acknowledgments for results obtained, performance evaluation and pay for performance practice.

Table no. 1 Satisfaction to HR practices

	N	Min	Max	Mean	Std. dev.
Ability	31	1,75	5,00	3,75	,88676
Opportunity	31	1,50	5,00	3,67	,90689
Motivation	31	1,25	5,00	3,26	1,09898
Valid N (listwise)	31				

However, considering the organisational commitment (Cronbach alpha = 0,962) level, scale used to measure employees well-being, we can sustain that it is rather high (score 4.1 out of 5). Despite the score obtained there is no statistically significant correlation between HR practices and organizational commitment. This result may be explained by the fact that there are other practices that may influence the employees’ well-being, or that what really count for enriching work related well-being is HR principles and the way they are treated. They also gained trust and honesty, values that are appreciated by each employee. Another explanation could come from the employees’ perception on the role of HR function. As the HR manager is seen rather like the “mum”, they may be moral/normative committed. Their education, culture, values determine them to be so.

6. Conclusion and discussion

HRM-performance link and lately HRM-well-being at work link remains a subject into debate. There is a large body of research on the topic, but unfortunately it brings both pros and cons to the matter. Because a lot of quantitative research was conducted, but the ‘why’ question remain unanswered, some researchers recommended a contextual approach, which implies qualitative research. Therefore we conducted a mixed-method research in order to cover both questions addressed into the literature: ‘what?’ and ‘why?’. When studying the HRM within the firm we considered the systemic approach and analysed HR interventions through two components: HR practices and HR principles, as these were more relevant for the development stage of HR function within the organisation. We also considered the HR role within business strategy making and its final goals.

Even though the research was conducted into one organisation and results could not be generalised, we consider that they may support the idea that promotes the need for analysing the context of the relation. This context (internal and external) may be an explanation on why some research found a positive relation, some negative ones and some no connection between HRM and well-being at work.

In our case, even though there was a high level of employees' organisational commitment and a medium level of satisfaction for HR practices from each of the three areas of the AMO theory, no statistical significant correlation was found between the two variables. These results could lead us to the fact that besides HR practices, there are also some other HR system's components that could have influence, like HR principles. Even though the employees are not highly satisfied with the HR practices implementation, they do know that the HR has good intentions (based on honest HR principles) and is oriented to them needs. As Alfes et al. (2012) found the level of trust has an important role in this relation [2].

Considering the external context, the economic factors and the actual local labour market we may also conclude that they can also influence the HRM-well-being at work relation. The organisation succeeded to offer employees the security they needed in times of crisis and somehow better work conditions then the competition. Based on reciprocity theory the employees feel moral compelled to become performers and committed to the organisation.

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7.References

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